

CASE

NUMBER:

99-319

Transfer/Sale/Purchase/Merger Construct, Rates
SEWAGE TREATMENT FACILITIES IN BIG VALLEY MOBILE HOME PARK

IN THE MATTER OF THE APPLICATION FOR APPROVAL TO ACQUIRE
OWNERSHIP OF THE SEWAGE TREATMENT FACILITIES LOCATED IN THE
BIG VALLEY MOBILE HOME PARK, FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY TO MAKE PLANT IMPROVEMENTS, AND
FOR APPROVAL OF RATES

SEQ NBR	ENTRY DATE	REMARKS
0001	07/28/1999	Application.
0002	08/02/1999	Acknowledgement letter.
0003	08/19/1999	Order scheduling 9/8 informal conference
0004	08/27/1999	Def. letter, info due 9/11
M0001	10/19/1999	JOHN Y. BROWN III/SECRETARY OF STATE-ARTICLES OF INC OF BIG VALLEY SANITATION FILED 7/28/99
M0002	10/19/1999	JOHN Y. BROWN III/SECRETARY OF STATE-CERTIFICATE OF EXISTENCE FOR BIG VALLEY SANITATION, IN
M0003	10/21/1999	BOBBY KENNER NATURAL RESOURCES-LETTER TO INFORM PSC OF MEETING HELD OCT 6,99 AT 1.30 WITH B
0005	11/08/1999	IC memo sent to parties; comments, if any, due 11/22/99.
M0004	12/03/1999	WILLIAM HURST-LETTER SENT TO CUSTOMERS, LIST OF PERSONS TO WHOM LETTER WAS SENT
M0005	12/08/1999	JAMES TRAVIS BULLIT CO BANK-LETTER CONCERNING CREDIT LINE
M0006	12/14/1999	WENDELL OVERCASH NATURAL RESOURCES-LETTER CONCERNING REPAIRS TO BIG VALLEY SANITATION FACIL
0006	02/11/2000	FINAL ORDER; APPROVES TRANSFER; GRANTS CERT. OF PUBLIC CONV. & NECESSITY
0007	02/21/2000	COPY OF FINAL ORDER SENT TO WENDELL OVERCASH PER HIS REQUEST
M0007	10/19/2000	LINDA S. BOUVETTE/BIG VALLEY SANITAT-FINAL PROPOSED AGREED ORDER BY FRANKLIN CIRCUIT COURT
0008	12/14/2000	Final Order approving construction/rates.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-319
BIG VALLEY SANITATION, INC.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on December 14, 2000.

Parties of Record:

John L. Ford
Owner/President
Big Valley Sanitation, Inc.
P. O. Box 29739
Louisville, KY. 40229

Mrs. William R. Hurst
CPA for Big Valley Sanitation
4229 Barstown Road
Suite 123
Louisville, KY. 40218

Honorable Linda S. Bouvette
Attorney for Big Valley Sanitation
J. Chester Porter & Associates
37 Main Street
P.O. Box 509
Taylorsville, KY. 40071

Stephanie J. Bell

Secretary of the Commission

SB/lc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR APPROVAL TO)
ACQUIRE OWNERSHIP OF THE SEWAGE)
TREATMENT FACILITIES LOCATED IN THE)
BIG VALLEY MOBILE HOME PARK, FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO MAKE PLANT IMPROVEMENTS,)
AND FOR APPROVAL OF RATES OF RATES)

CASE NO. 99-319

ORDER

On February 11, 2000, the Commission issued an Order granting the transfer of ownership of Big Valley Mobile Home Subdivision Sewage Treatment Plant ("Treatment Plant") in Shepherdsville, Bullitt County, Kentucky to Big Valley Sanitation, Inc. ("Big Valley"). It simultaneously approved rates and granted Big Valley a Certificate of Public Convenience and Necessity for improvements at the Treatment Plant.

The transfer approved by the Commission was based on the proposed Agreed Judgment submitted with the application. The Commission specifically stated in its Order that any modification or alteration of the terms set forth in the Agreed Judgment other than those expressly stated by the Commission were to be undertaken only with prior approval of the Commission. On October 19, 2000, Big Valley submitted, for Commission approval, the final proposed Agreed Judgment it plans to submit to the Franklin Circuit Court.

The Commission, having considered the final Agreed Judgment submitted and being otherwise sufficiently advised, finds that:

1. The CPCN granted by the Commission on February 11, 2000 was for improvements and repairs consisting of replacing the aerators, pumps, chlorination unit, baffle and related appurtenances with an estimated cost of \$31,910 and nothing in the Agreed Judgment should be construed to authorize additional improvements. Therefore, any deviation or addition from the improvements and repairs expressly authorized by this Commission in its previous Order should only be undertaken with the prior approval of the Commission.

2. The modifications made to the Agreed Judgment do not change the Commission's findings of February 11, 2000, that Big Valley has the financial, technical and managerial ability to provide reasonable service.

3. The Commission's Order of February 11, 2000 should stand and should be incorporated by reference as if fully restated herein.

IT IS THEREFORE ORDERED that:

1. Nothing in the Agreed Judgment shall be deemed to supersede the authority of the Commission.

2. The Commission's Order of February 11, 2000 is incorporated herein by reference as if fully restated.

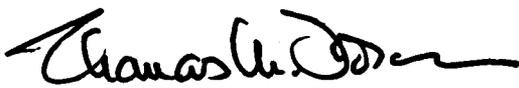
3. Any deviation or addition from the improvements and repairs expressly authorized by this Commission in its previous Order shall only be undertaken with the prior approval of the Commission.

4. Any modification or alteration of the terms set forth in the Agreed Judgment submitted to the Commission on October 19, 2000 shall be undertaken only with prior approval of the Commission.

Done at Frankfort, Kentucky, this 14th day of December, 2000.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas W. Jordan", written over a horizontal line.

Executive Director

J. CHESTER PORTER & ASSOCIATES

ATTORNEYS AT LAW

162 S. BUCKMAN STREET
P.O. BOX 159
SHEPHERDSTOWN, KY 40165
(502) 543-2296
(502) 955-6034
FAX: (502) 543-2694

37 MAIN STREET
P.O. BOX 509
TAYLORSVILLE, KY 40071
(502) 477-6412
FAX: (502) 477-2169

RECEIVED
OCT 19 2000
PUBLIC SERVICE
COMMISSION

J. CHESTER PORTER
LINDA S. BOUVETTE¹
PHILLIP K. WICKER
JENNIFER E. PORTER
ANNE W. McAFEE
JOHN F. CARROLL²

RALPH BOUVETTE
OF COUNSEL

REPLY TO:
37 WEST MAIN STREET
P.O. BOX 509
TAYLORSVILLE, KY 40071

October 18, 2000

Mr. Thomas Dorman, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: The Application for Approval to Acquire Ownership of the Sewage Treatment Facilities Located in the **Big Valley Mobile Home Park**, For a Certificate of Public Convenience and Necessity to Make Plant Improvements and for Approval of Rates
Case No. 99-319

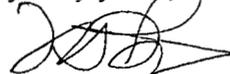
Dear Mr. Dorman:

Please be advised this firm represents Big Valley Sanitation, Inc., and John Ford, its owner and president. Pursuant to the Order issued in the above-styled action I have enclosed a copy of the final proposed Agreed Order to be entered by the Franklin Circuit Court conveying the sewage treatment plant to Big Valley and setting forth certain time frames for completion of repairs, etc. to the facility and identifying Big Valley Sanitation, Inc. as the entity that will take title to the facility rather than John Ford individually.

Please have the Commission review the proposed Agreed Order and advise whether same is acceptable under its order entered on February 11, 2000. Once we have received the Commission's approval we will obtain the signatures of the parties to the Agreed Order and move the Franklin Circuit Court to enter the order so that Big Valley Sanitation can begin its repairs to the facility.

Please do not hesitate to contact me should you have any questions regarding this matter.

Very truly yours,



Linda S. Bouvette

CC: Anita Mitchell, Staff Attorney
Wendell Overcash, Attorney

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
CIVIL ACTION NO. 87-CI-0813
DIVISION NO. I

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND
ENVIRONMENTAL PROTECTION CABINET, AND
OFFICE OF ATTORNEY GENERAL

PLAINTIFFS

VS.

AGREED JUDGMENT

EUGENE McGRUDER

DEFENDANT

Upon motion of the parties to this Agreed Judgment, the Natural Resources and Environmental Protection Cabinet (hereinafter the "Cabinet"), Office of Attorney General, Eugene McGruder (hereinafter "McGruder"), Marilyn Lee McGruder and Big Valley Sanitation, Inc. (hereinafter "Big Valley"), each being in agreement as to various issues herein, the Court having considered the pleadings of the parties and being otherwise sufficiently advised,

IT IS HEREBY AGREED, ORDERED AND ADJUDGED:

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. McGruder is the owner of a certain sewage treatment plant and associated sewage collection system (hereinafter collectively referred to as the "Facility") operated in conjunction with the Big Valley Mobile Home Park in Bullitt County, Kentucky.
3. The Facility is located primarily upon Lot 27, Section 6 of the Big Valley Mobile Home Subdivision according to the revised plat thereof filed of record in Plat Cabinet No. 1,

Slide 558, of the official records of County Clerk, Bullitt County, Kentucky. (A copy of the relevant portion of the official records of County Clerk, Bullitt County showing the plat and survey of Lots 27 and 13, Section 6 of the Big Valley Mobile Home Subdivision is attached hereto and incorporated herein as Exhibit No. 1.)

4. The Public Service Commission (hereinafter the "PSC"), entered an Order on May 9, 1995, in PSC Case No. 94-451, holding: the Facility to be a jurisdictional utility governed by applicable statutes and regulations of the PSC, McGruder to be the owner of the Facility and that McGruder had abandoned the Facility. McGruder did not timely appeal said decision and is presently time barred from so doing.

5. This Court has previously ordered McGruder to undertake various obligations and efforts in regard to the Facility and that he has not been compliant therewith.

6. By Order of this Court, McGruder is to find a transferee to take over ownership and operation of the Facility. McGruder represented to this Court that he would voluntarily obligate himself to execute a deed conveying all real property upon which the Facility and all of its appurtenances are located. McGruder is also obligated to deliver to such transferee a bill of sale conveying all personal property appurtenant to the Facility including, without limitation, the lift station, all sewer lines, chlorinator unit, contact tank and pump station(s), if any, to any such transferee.

7. Big Valley, through its President, John Ford, presents itself to this Court as willing to accept ownership of and responsibility for the Facility (and real property upon which same is situated) under terms and conditions agreed to between himself and McGruder and as set forth in this Agreed Judgement. Big Valley acknowledges that it is aware of and is constrained by a sewer sanction currently imposed on the Facility which prohibits additional tap-ons to the

sewer system until such time as the Facility is operated in compliance with all applicable statutes and regulations.

8. McGruder's ex-wife, Marilyn Lee McGruder, voluntarily submits herself to the jurisdiction of this Court for the limited purpose of joining in execution of the deeds conveying ownership of the Facility (i.e.; Lots 27 and 13, Section 6 of the Big Valley Mobile Home Subdivision), and in execution of this Agreed Judgment for purposes of transferring any ownership interest in the Facility, real estate upon which the Facility is situated, all appurtenances of the Facility and forever releasing all claims and interest which she may have therein.

9. McGruder's son, Patrick McGruder, as the assignee on the bond posted in this action on or about January 15, 1995, voluntarily submits himself to the jurisdiction of this Court for the limited purpose of authorizing the payment of those monies set forth in Paragraphs 10 f and 10 g, infra, and as may subsequently be ordered by this Court.

10. This Court and the Cabinet are cognizant that it will take time for Big Valley to undertake all repairs required to satisfy the cabinet's Division of Water and to otherwise have the Facility operating in compliance with KRS Chapter 224 and the regulations promulgated pursuant thereto. Therefore, this Court orders that Big Valley undertake repairs to the Facility in accordance with the following schedule:

- a. Big Valley shall have electrical service established to the lift station and have the existing lift station functioning within thirty (30) days of entry of this Agreed Judgment; and
- b. Big Valley shall have all collection lines feeding the lift station cleaned of all debris, sewage sludge, and repaired as necessary, within one hundred and eighty

(180) days of entry of this Agreed Judgment; and

- c. Big Valley shall report any breaks, leaks and bypass in the collection lines or elsewhere in the sewer system to the Cabinet immediately upon their discovery. Big Valley shall repair breaks, leaks and bypasses in the sewer system within a reasonable time after discovery as agreed upon between Big Valley and the Cabinet's Division of Water, Louisville Regional Office.
- d. Big Valley shall either repair and refurbish the existing lift station or construct a new lift station, solely at Big Valley's discretion, within one hundred eighty (180) days of entry of this Agreed Judgment. Big Valley shall during this period have the existing lift station functioning as reasonably near its design capability as possible until such time as the lift station is repaired and refurbished or a new lift station constructed as provided in this subparagraph; and
- e. Big Valley shall take any and all other measures necessary to place the Facility in compliance with all applicable statutory and regulatory requirements by not later than three hundred sixty-five (365) days of entry of this Agreed Judgment. Within this specified period, Big Valley shall install and have operating a continuously recording flow measuring device not later than three hundred sixty-five (365) days of entry of this Agreed Judgment; and
- f. This Court finds that McGruder's most recent KPDES permit expired on January 31, 1994 and that he has not remitted said KPDES application renewal fee to the Cabinet as previously ordered by this Court; consequently, this Court orders McGruder to immediately tender this application fee of one thousand three hundred and sixty dollars (\$1,360) to the Cabinet's Division of Water, Permits

Branch, 14 Reilly Road, Frankfort, Kentucky 40601. This amount shall be applied to the Kentucky Pollution Discharge Elimination Permit (KPDES) application fee for the Facility. In the event McGruder does not immediately post said application fee; the Franklin Circuit Court Clerk is ordered to tender said application fee, to the Cabinet's Division of Water, from the ten thousand dollar (\$10,000) appearance bond previously posted for McGruder's benefit on or about January 19, 1995.

- g.** This Court finds that McGruder has not kept the property taxes current. Outstanding back taxes owed on Lot 13, Big Valley Subdivision, Section 6, for tax years 1991 to and including 1999 is -- to be determined -- (\$____.____). McGruder shall immediately pay this amount in satisfaction of all back taxes through _____. In the event McGruder does not immediately tender the specified amounts; the Franklin Circuit Court Clerk is ordered to tender, to the Bullitt County Sheriff, said amount from the ten thousand dollar (\$10,000) appearance bond previously posted for McGruder's benefit.
- h.** This Court finds that McGruder has the obligation to clear title to the facility and is hereby ordered to pay to John Ford the amount of one hundred thirty-five dollars (\$135). Said payment is to reimburse Ford for filing fees of nine dollars (\$9.00) for each of fifteen (15) releases of liens and mortgages appertaining the Facility. In the event McGruder does not immediately reimburse Ford for the filing fees; the Franklin Circuit Court Clerk is ordered to tender said reimbursement, to Ford, from the ten thousand dollar (\$10,000) appearance bond previously posted for McGruder's benefit on or about January 19, 1995. Upon

McGruder's demonstration of his complete compliance with the terms of this Agreed Judgment, he may move this Court, with one week prior written notice to the Cabinet, for release of the bond, less the amount(s) ordered paid.

- i. Big Valley may submit plans for modifications to the Facility with the Cabinet's Division of Water, Facilities Construction Branch. Plans for modifications shall be reviewed in the normal course of business by the Cabinet and approved or disapproved in accordance with statutory and regulatory criteria. Any modifications proposed to the Facility requiring Cabinet approval must be timely submitted by Big Valley to allow for Big Valley to meet all deadlines contained herein; however, Big Valley shall not be responsible for delays occasioned solely by the Cabinet. Big Valley shall consider specific design and operational changes to address the general state of disrepair of the chlorination system and lagoon plus the lack of aeration in the lagoon; and
- j. Big Valley may move this Court, with timely notice to the Cabinet, for extensions of the aforementioned deadlines if Big Valley can document that it has proceeded in good faith to comply with the terms herewith but in no event shall Big Valley receive more than five hundred forty-five (545) days to place the Facility into compliance with all applicable statutory and regulatory requirements; and
- k. Once the Facility is operating in compliance with applicable statutory and regulatory provisions, Big Valley will request lifting of the sewer sanction. The Cabinet will review said request and will lift said sewer sanction provided the Facility is in compliance with all applicable statutes and regulations; and
- l. Nothing contained herein shall be interpreted as preventing Big Valley from

taking such lawful action he deems appropriate regarding any sewer system user that has improperly or illegally tapped onto the sewer system.

- m. The Kentucky Pollutant Discharge Elimination System permit (hereinafter the "Permit") shall allow for monthly sampling rather than weekly sampling until such time as the Facility is operating at or above fifty thousand gallons per day (50,000/gpd) monthly averaged daily flow or until the Permit expires or is renewed.

11. Concurrently with entry of this Agreed Judgment, Eugene McGruder d/b/a Lots of Lots, Inc. and Marilyn McGruder shall transfer to Big Valley, by quit claim deed, all their right, title and interest in and to Lots 13 and 27, Section 6 of the Big Valley Mobile Home Subdivision, the Facility and all appurtenances appertaining thereunto as heretofore described. McGruder shall have ninety (90) days from entry of this Agreed Judgment into the record within which to remove the mobile home from Lot 13, Section 6. Upon the expiration of said ninety day period, Big Valley may remove, sell, scrap or otherwise dispose of said mobile home as he wishes without liability or obligation to Eugene McGruder or Marilyn McGruder. Eugene McGruder's and Marilyn McGruder's agreement hereto shall operate to transfer not only their individual interests in and to said Lots 27 and 13, Section 6, the Facility and all appurtenances thereunto belonging but also shall operate to transfer any ownership held in corporate form, if any, in which they have any interest.

12. Concurrently with entry of this Agreed Judgment, McGruder shall also transfer all his interest, if any, in the KPDES permit for the Facility to Big Valley and shall immediately execute any document(s) required by the Cabinet to effectuate such transfer. McGruder acknowledges that he has no claims to said permit and that the permit shall be issued by the

Cabinet to Big Valley.

13. Concurrently with entry of this Agreed Judgment, McGruder shall provide to Big Valley all information, maps, Facility plans, Facility blueprints, locations of sewage collection lines, locations of manholes, parts, spare parts, land surveys, files, customer records, maintenance records of any type and description that relate to the Facility and its appurtenances, to the extent he has any in his possession. The Cabinet agrees to provide Big Valley with copies of all information in its possession relating to the Facility as requested by Big Valley.

14. This Agreed Judgment shall apply only to the Facility and sewage collection systems as described hereinabove, and no other, and shall not be deemed to be a transfer of any other property interest unless so modified by this Court. In the event additional property interests of McGruder's, other than those described above, are necessary to the operation to the Facility, Big Valley shall have leave to move this Court for modification of the Agreed Judgment seeking an Order requiring conveyance of such other property that can be shown to be necessary to the operation and maintenance of the Facility as it now exists or as may be expanded to serve additional residents of Big Valley Mobile Home Subdivision and other users.

15. Nothing in the Agreed Judgment shall be deemed to supersede the authority of the Cabinet to enforce any and all environmental laws under its jurisdiction, any zoning laws of Bullitt County, any statutes, regulations of the PSC and Bullitt County's Board of Health.

16. The Cabinet hereby releases its judgment lien(s) against McGruder and Ms. McGruder on that portion of real property owned thereby and upon which the Facility and all its appurtenances are located; specifically including but not necessarily limited to the real property being conveyed concurrently herewith to Big Valley (i.e.; Lots 27 and 13, Section 6 of the Big Valley Mobile Home Subdivision). The Cabinet shall file a release of its judgment lien on Lots

27 and 13, Section 6 of the Big Valley Mobile Home Subdivision subsequent to entry of this Agreed Judgement.

17. Big Valley acknowledges that it is its responsibility to file documentation evidencing the transfer of ownership of the Facility and that PSC's approval of the transfer is necessary. The Cabinet agrees to join in any request made by Big Valley to the PSC for transfer of ownership. The Cabinet represents, but does not warrant, that to the best of its knowledge the PSC will approve Facility ownership transfer.

AGREED TO BY:

Big Valley Sanitation, Inc.

By: _____
John Ford, President

Date: _____

Wendell H. Overcash, Attorney
Natural Resources and
Environmental Protection Cabinet

Date:

Eugene McGruder, individually and
d/b/a Lots of Lots, Inc

Date:

Marilyn Lee McGruder

Date: _____

Patrick McGruder

Date:

Attorney, Office of the Attorney General

Date: _____

CIVIL ACTION NO. 87-CI-0813

SO ORDERED, this the _____ day of _____, 2000.

JUDGE, FRANKLIN CIRCUIT COURT

CERTIFICATE OF SERVICE

I hereby certify that on the _____ day of _____, 2000,
a true and accurate copy of the foregoing **AGREED JUDGMENT**
was mailed, postage prepaid, to the following:

Hon. Wendell H. Overcash
Natural Resources and
Environmental Protection Cabinet
Office of Legal Services
Fifth Floor, Capital Plaza Tower
Frankfort, Kentucky 40026

Hon. Linda S. Bouvette
J. Chester Porter & Associates
37 Main Street
Taylorsville, KY 40071

Hon. James Grawe _____

Office of Attorney General
Capitol Building
Frankfort, Kentucky 40601

Eugene McGruder
284 Melwood Drive
Shepherdsville, Kentucky 40165

Patrick McGruder
c/o Industrial Services of America, Inc.
P.O. Box 32428
Louisville, KY 40232

CERTIFICATE OF SERVICE (con't.)

Hon. E. H. Tingle
310 West Liberty Street
Louisville, Kentucky 40202

Big Valley Sanitation, Inc.
c/o Mr. John Ford
303 Overdale Drive
Louisville, Kentucky 40229

CLERK, FRANKLIN CIRCUIT COURT

who 10/00 ajgruder.pl7



Paul E. Patton, Governor
Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Martin J. Huelsmann
Executive Director
Public Service Commission

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
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B. J. Helton
Chairman

Edward J. Holmes
Vice Chairman

Gary W. Gillis
Commissioner

February 21, 2000

Mr. Wendell Overcash
Natural Resources and Environmental
Protection Cabinet
Department for Environmental Protection
Frankfort Office Park
14 Reilly Road
Frankfort, Kentucky 40601

Re: Big Valley Mobile Home Subdivision Sewage Treatment Plant
Case No. 99-319

Dear Mr. Overcash:

Pursuant to your request, please find enclosed a copy of the final Order entered in this case.

Sincerely,

A handwritten signature in cursive script that reads "Anita L. Mitchell".

Anita L. Mitchell
Staff Attorney

Enclosure

cc Mr. John Ford
Main Case File





COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-319
BIG VALLEY SANITATION, INC.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on February 11, 2000.

Parties of Record:

John L. Ford
Owner/President
Big Valley Sanitation, Inc.
P. O. Box 29739
Louisville, KY. 40229

Mrs. William R. Hurst
CPA for Big Valley Sanitation
4229 Barstown Road
Suite 123
Louisville, KY. 40218

Stephanie J. Bell

Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR APPROVAL TO)
ACQUIRE OWNERSHIP OF THE SEWAGE)
TREATMENT FACILITIES LOCATED IN THE)
BIG VALLEY MOBILE HOME PARK, FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO MAKE PLANT IMPROVEMENTS,)
AND FOR APPROVAL OF RATES OF RATES)

CASE NO. 99-319

ORDER

On July 28, 1999, Big Valley Sanitation, Inc. ("Big Valley") submitted an application requesting that the Commission (1) approve the proposed transfer of ownership and control of Big Valley Mobile Home Subdivision Sewage Treatment Plant ("Treatment Plant") located in Shepherdsville, Bullitt County, Kentucky; (2) grant a Certificate of Public Convenience and Necessity for its proposed improvements at the Treatment Plant; and (3) approve its proposed rates. On August 27, 1999, the Commission deemed the application deficient and rejected it. An informal conference was held on September 8, 1999 to provide Commission Staff and Big Valley the opportunity to meet and discuss the deficiencies noted in the application. Representatives from the Natural Resources and Environmental Protection Cabinet ("NREPC") were present at the informal conference and expressed their desire that Big Valley's application be granted by this Commission. Big Valley's filing of December 14,

1999 cured the deficiencies so that the application met the minimum filing requirements pursuant to the Commission's regulations.

The history of the Treatment Plant prior to this case has been an unsettled one. In December 1994, the Commission instituted an action to determine the condition and jurisdictional status of the Treatment Plant.¹ The Commission determined therein that Eugene McGruder was the owner of the Treatment Plant and that the Treatment Plant was a facility used in connection with the treatment of sewage for the public for compensation and, as such, was a utility subject to Commission regulation. It further determined that the utility had been abandoned.

An action to enforce KRS Chapter 224 and the regulations promulgated thereunder had been brought by NREPC against Mr. McGruder in the Franklin Circuit Court in 1987. An Agreed Judgment setting forth the terms and conditions under which the NREPC, Eugene McGruder, Marilyn McGruder and John Ford, sole director of Big Valley, agree to transfer the utility has been prepared in that case and attached to Big Valley's application to this Commission. The Agreed Judgment has neither been executed by the parties nor entered by the Court.

Big Valley, the applicant herein, is a corporation organized and existing under the laws of the Commonwealth of Kentucky. Big Valley states that John Ford, its sole director, will maintain and operate the Treatment Plant. It further states that Mr. Ford has 30 years' experience in managing sewer operations and has been certified by the

¹ Case No. 94-451, In the Matter of: Eugene McGruder d/b/a Big Valley Mobile Home Subdivision Sewage Treatment Plant, Investigation into the Condition and Jurisdictional Status of Sewage Utility Facilities.

Kentucky Board of Certification of Wastewater System Operators under License No. 06607.

Big Valley states that there is currently no equipment operating at the Treatment Plant and proposes certain improvements and repairs. The proposed improvements and repairs consist of replacing the aerators, pumps, chlorination unit, baffle and related appurtenances. The estimated cost for the proposed improvements and repairs is approximately \$31,910. Peoples Bank of Bullitt County, First Federal Savings Bank and Bullitt County Board of Health have agreed to contribute \$26,000 to assist in the repairs and renovation at the Treatment Plant. An equity line of credit in the amount of \$10,000 has been secured at the Bullitt County Bank to fund the balance of the proposed improvements and to serve as evidence of financial integrity as required by 807 KAR 5:071, Section 3(1)(a).

On December 3, 1999, Big Valley filed with the Commission a copy of the notice of proposed rates it caused to be mailed to the customers to be served by Big Valley. In addition to advising the customers of the rates proposed, it also advised them of their right to intervene. No intervention requests have been received to date.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Big Valley has the financial, technical, and managerial ability to provide reasonable utility service and that the proposed transfer is to be made in accordance with law, is for a proper purpose and is consistent with public interest. See KRS 278.020(4) and (5). Therefore, the Commission finds that the transfer should be approved as outlined in the proposed Agreed Judgment with one modification. Big

Valley is the entity requesting Commission approval to acquire the Treatment Plant. Therefore, the Commission finds that Big Valley should be substituted for John Ford as a party to the Agreed Judgment or any other agreement entered into by the parties for the transfer of this utility. Any modification or alteration of the terms set forth in the Agreed Judgment other than that expressly stated by the Commission herein should be undertaken only with prior approval of the Commission.

2. Big Valley should be granted a Certificate of Public Convenience and Necessity for the proposed improvements of record in this case. Any deviation or addition from the improvements and repairs expressly authorized by this Commission should likewise only be undertaken with the prior approval of the Commission.

3. Big Valley should furnish documentation of the total costs of this project including the cost of improvements and repairs and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date the improvements and repairs are substantially completed. Improvement and repair costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Sewer Utilities prescribed by the Commission.

4. Big Valley should require the improvements and repairs to be inspected under the general supervision of a professional engineer licensed to practice engineering in Kentucky with competency in civil or mechanical engineering. This is to ensure that the improvement and repair work is done in accordance with the contract drawing and specifications originally prepared for this wastewater treatment plant and in conformance with the best practices of the construction trades involved in the project.

TEST PERIOD

The previous owner of the Treatment Plant abandoned it. Moreover, it was not known to be a jurisdictional utility until May 9, 1995. Accordingly, actual financial information regarding operation of the Treatment Plant does not exist. Estimated pro forma expenses have been utilized for the determination of Big Valley's revenue requirement.

PROJECTED REVENUES AND EXPENSES

Big Valley projected operating expenses on the basis of providing sewer service to 108 customers. The Commission is of the opinion that the projected operating expenses are generally proper, and they therefore have been accepted with the following exceptions:

Owner/Manager Fee

Big Valley proposed a pro forma owner/manager fee expense of \$7,800. The primary purpose of the management fee is to compensate management for duties performed for the utility. Given Big Valley's relatively small size, minimal attention should be required. Therefore, the Commission finds that an owner/manager fee of \$3,600 is reasonable and has reduced Big Valley's proposed owner/manager fee by \$4,200.

Plant Renovation

As previously stated herein, Big Valley has proposed improvements and repairs in the amount of approximately \$31,910, of which \$5,910 was included in operating expenses. The system improvements are capital expenditures that will benefit more than one period and, therefore, should be depreciated rather than expensed. Upon

review of the proposed improvements, the Commission determined that an appropriate depreciation period is 10 years, which results in a depreciation expense of \$591. Therefore, the Commission has reduced Big Valley's operating expenses by \$5,910 to remove the capital expenditures and has included depreciation expense of \$591.

Legal Fees

Big Valley has projected legal fees in the amount of \$1,200. Big Valley provided no supporting evidence for this expense. Therefore, the amount proposed for legal fees should be disallowed.

Interest Expense

As stated, Big Valley has secured an equity line of credit at the Bullitt County Bank in Shepherdsville, Kentucky to supplement the funding of the improvements and repairs. The interest rate is variable, always at prime rate, which at the time of calculation of rates was 8.5 percent per annum. Since this debt has been used to finance capital construction, the Commission finds that Big Valley should be allowed to recover through rates the interest related to the debt. The system improvements of \$5,910, when combined with the current interest rate of 8.5 percent per annum, result in an annual interest expense of \$502.

REVENUE REQUIREMENT

The Commission is of the opinion that the operating ratio method is a fair, just and reasonable method for determining revenue requirements in this case. Based upon application of an 88 percent operating ratio and a dollar-for-dollar recovery of interest expense, the Commission has determined that an annual revenue requirement of \$55,380 will allow Big Valley sufficient revenues to cover its operating expenses and

provide a reasonable return to its owners. Therefore, Big Valley should be granted rates sufficient to provide operating revenues of \$55,380. The Commission finds therefore that the rates proposed by Big Valley should be denied and the rates in Appendix A approved.

Since it is difficult to estimate or project operating revenues and expenses until a system can demonstrate actual operating results, Big Valley should review its financial position after one year of operating its system. If, after review, Big Valley deems it necessary to adjust its rates, it should apply to the Commission. The Commission will monitor Big Valley's annual reports for the purpose of determining what, if any, future rate adjustments might be necessary.

IT IS THEREFORE ORDERED that:

1. The proposed transfer of the Treatment Plant to Big Valley is approved as outlined in the proposed Agreed Judgment attached to the application with one modification. Big Valley is the entity requesting Commission approval to acquire the Treatment Plant. Therefore, Big Valley shall be substituted for John Ford as a party to the Agreed Judgment or any agreement entered by the parties for the transfer of this utility. Any modification or alteration of the terms set forth in the Agreed Judgment other than that expressly stated by the Commission herein shall be undertaken only with prior approval of the Commission.

2. Big Valley shall notify the Commission within 20 days of the date of completion of the transfer or, in the alternative, Big Valley shall notify the Commission if the transfer does not occur.

3. Big Valley shall maintain its books of account in accordance with the Uniform System of Accounts for Sewer Utilities as prescribed by the Commission.

4. Within 60 days of the date the transfer is completed, Big Valley shall file with the Commission the journal entries reflecting the asset transfer.

5. Big Valley is granted a Certificate of Public Convenience and Necessity for the proposed maintenance upgrade.

6. The proposed improvements and repairs consist of replacing the aerators, pumps, chlorination unit, baffle, and related appurtenances. The total cost for improvements and repairs is approximately \$31,910.

7. Big Valley shall obtain approval from the Commission prior to performing any additional improvements and repairs not expressly authorized by this Order.

8. Any deviation from the improvements and repairs approved shall be undertaken only with the prior approval of the Commission.

9. Big Valley shall furnish documentation of the total costs of this project including the cost of improvements and repairs and all other capitalized costs (engineering, legal, administrative, etc.) within 60 days of the date the improvements and repairs are substantially completed. Improvement and repair costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for Sewer Utilities prescribed by the Commission.

10. Big Valley shall require these improvements and repairs to be inspected under the general supervision of a professional engineer licensed to practice engineering in Kentucky with competency in civil or mechanical engineering.

11. The rates proposed by Big Valley are denied.
12. The rates in Appendix A to this Order are the fair, just and reasonable rates to be charged by Big Valley for service rendered.
13. Within 20 days from the date of the transfer, Big Valley shall file with the Commission a tariff setting forth the rates approved herein.

Done at Frankfort, Kentucky, this 11th day of February, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 99-319 DATED FEBRUARY 11, 2000

The following rates are prescribed for the customers in the area served by Big Valley on and after the date of this Order.

Monthly Residential Rate	\$39.22
--------------------------	---------

JAMES E. BICKFORD
SECRETARY



RECEIVED

DEC 14 1999

PAUL E. PATTON
GOVERNOR

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
FRANKFORT OFFICE PARK
14 REILLY RD
FRANKFORT KY 40601

December 8, 1999

Hon. Helen Helton
Executive Director
Public Service Commission
730 Schenkel lane
P. O. Box 615
Frankfort, KY 40602

RE: Big Valley Sanitation, PSC Case No. 99319

Dear Ms. Helton:

Please be advised that Mr. John Ford and his consultant, Mr. Woody Smither, met with Cabinet personnel on October 6, 1999, to discuss proposed repairs to the captioned facility. The various proposals by Mr. Ford have all been previously approved by this Cabinet and thus Mr. Ford's anticipated efforts do not need Cabinet approval. Mr. Ford has been requested to provide a written summary to the Facilities Construction Branch of all currently anticipated repairs. The Cabinet will obviously want to know of the exact nature of the repairs as they occur but there is no requirement to obtain any additional approvals or permits.

Division of Water personnel will, as a normal function, monitor the repairs and site conditions. If additional information is needed, please do not hesitate to contact us.

Sincerely,

Handwritten signature of Wendell H. Overcash in cursive.

Wendell H. Overcash, Attorney

Handwritten signature of Michael S. Mudd in cursive.

Michael S. Mudd, Supervisor, Louisville Regional Office

cc: John Ford
Woody Smither
Bennie McWain



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99-319



Bullitt County Bank

Shepherdsville, Kentucky

November 24, 1999

RECEIVED

DEC 8 1999

GENERAL COUNSEL

RECEIVED
DEC 08 1999
PUBLIC SERVICE
COMMISSION

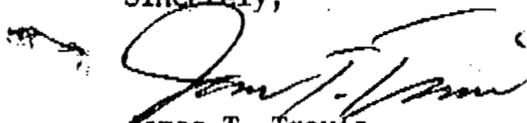
John L Ford
Wanda Ford
303 Overdale Drive
Louisville KY 40229

Dear Mr. & Mrs. Ford:

Per your request, I have examined your note concerning your \$10,000.00 line of credit and find your rate to be variable and will always be at prime rate which is 8.500% as of this date.

Bullitt County Bank appreciates your years of business and if we can be of help with your financial needs in the future, please give me a call.

Sincerely,


James T. Travis
Branch Manager

WILLIAM R. HURST
CERTIFIED PUBLIC ACCOUNTANT
4229 BARDSTOWN ROAD • SUITE 123
LOUISVILLE, KY 40218

Office (502) 495-2106
Fax (502) 495-2106
Residence (502) 538-6846

RECEIVED
DEC 3 1999
MEMBER
AMERICAN INSTITUTE OF CPA'S
KENTUCKY SOCIETY OF CPA'S
GENERAL COUNSEL

DECEMBER 2, 1999

MS ANITA MITCHELL
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
P O BOX 615
FRANKFORT, KY 40602

RECEIVED
DEC 03 1999
PUBLIC SERVICE
COMMISSION

DEAR MS MITCHELL

Case No. 99-319

ENCLOSED ARE THE FOLLOWING ITEMS YOU NEEDED FROM MR JOHN FORD FOR
BIG VALLEY SANITATION.

1. COPY OF LETTER SENT TO SEWER CUSTOMERS
2. LIST OF PERSONS TO WHOM THE LETTER WAS SENT.
3. LETTER FROM BULLITT COUNTY BANK GIVING INTEREST RATE AND
CREDIT STANDING OF JOHN FORD.

THE LETTER NEEDED FROM THE DEPARTMENT OF WATER WAS SUBMITTED
EARLIER BY MR FORD.

RESPECTFULLY YOURS;



WILLIAM R HURST CPA

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BIG VALLEY SANITATION, INC.
P O BOX 29739
LOUISVILLE, KY 40229

OCTOBER 15, 1999

N O T I C E

BIG VALLEY SANITATION, INC., PROPOSES THE FOLLOWING CHARGES FOR SEWER CUSTOMERS OF THE BIG VALLEY MOBILE HOME SUBDIVISION FOR SERVICE RENDERED ON AND AFTER NOVEMBER 1, 1999.

<u>TYPE OF SERVICE</u>	<u>MONTHLY CHARGE</u>
SINGLE FAMILY RESIDENTIAL	\$ 42.73

IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE PUBLIC SERVICE COMMISSION, THE UTILITY WILL REQUIRE A DEPOSIT FOR SERVICE EQUAL TO THREE-MONTHS BILLS.

THE FEES CONTAINED IN THIS NOTICE ARE THE FEES PROPOSED BY BIG VALLEY SANITATION, INC. HOWEVER, THE PUBLIC SERVICE COMMISSION MAY ORDER FEES TO BE CHARGED THAT DIFFER FROM THESE PROPOSED FEES. SUCH ACTION MAY RESULT IN FEES FOR CONSUMERS OTHER THAN THE FEES IN THIS NOTICE.

ANY CORPORATION, ASSOCIATION, BODY POLITIC, OR PRSON MAY, BY MOTION WITHIN THIRTY (30) DAYS AFTER MAILING OF THIS NOTICE, REQUEST LEAVE TO INTERVENE; AND THE MOTION SHALL BE SUBMITTED TO THE PUBLIC SERVICE COMMISSION, 730 SCHENKEL LANE, POST OFFICE BOX 615, FRANKFORT, KY 40602. AND SHALL SET FORTH THE GROUNDS FOR THE REQUEST INCLUDING THE STATUS AND INTEEST OF THE PARTY.

INTERVENORS MAY OBTAIN COPIES OF THE APPLICATION, PROPOSED RULES AND REGULATIONS, OR ANY OTHER RELATED FILINGS AT NO COST BY CONTACTING BIG VALLEY SANITATION, P O BOX 29739, LOUISVILLE, KY 40229.

LN	NAME OR ADDRESS	ACCOUNT	INFORMATION	SS TYPE	DTE/TIME
01	PINE VALLEY DR, 108	KT04033419	JOHN, KESLER	RG RES	
02	PINE VALLEY DR, 109	KT04025219	DANUS J, KING II	RG RES	
03	PINE VALLEY DR, 114	KT04027819	ANDREA & KEVIN, SPEARS	RG RES	
04	PINE VALLEY DR, 149	KT04025419	KENNETH, ALLEN	RG RES	
05	PINE VALLEY DR, 150	KT04033019	SHERRY, MONAHAN	WO RES	SEP 1998
06	PINE VALLEY DR, 150	KT04033029	JODIE, SMITH	RG RES	
07	PINE VALLEY DR, 163	KT04025629	MELISSA M, GIRTS	WO RES	JUL 1997
08	PINE VALLEY DR, 163	KT04025639	WANDA S, PIERCE	RG RES	
09	PINE VALLEY DR, 170	KT04032829	DIANA L, ALLEN	WO RES	SEP 1997
10	PINE VALLEY DR, 170	KT04032839	KEITH C, SCHLACHTER	WO RES	AUG 1999
11	PINE VALLEY DR, 170	KT04032849	JACKIE I, ALLEN	RG RES	
12	PINE VALLEY DR, 189	KT04026039	CLIFTON THOMAS, CORLEY	FN RES	
13	PINE VALLEY DR, 189	KT04026049	ELIZABETH, GIBSON	RG RES	
14	PINE VALLEY DR, 208	KT04032419	CHARLES B, KELLOGG	RG RES	
15	PINE VALLEY DR, 224	KT04032219	TINA, WOLZ	WO RES	MAR 1998
16	PINE VALLEY DR, 224	KT04032229	B LOIS, COMPTON	RG RES	
17	PINE VALLEY DR, 258	KT04031629	CHARLOTTE, PREWITT	WO RES	JUL 1996
18	PINE VALLEY DR, 258	KT04031639	PAMELA J, WILSON	RG RES	
19	PINE VALLEY DR, 275	KT04027219	DAVID, ALLEN	RG RES	
20	PINE VALLEY DR, 282	KT04031449	ANTHONY R, SCHLACHTER	FN RES	
21	PINE VALLEY DR, 282	KT04031459	ANTHONY, SCHLACHTER	RG RES	

❖CXX (DW DM DA DS DT WO) LINE NUMBER COMMENT IF A DT
 ENTER NEXT FUNCTION ❖

LN	NAME OR ADDRESS	ACCOUNT	INFORMATION	SS TYPE	DTE/TIME
01	THOUSAND OAKS CT, 3200	Z30868019	FRED R, WOOTEN SR	RG RES	
02	THOUSAND OAKS CT, 3201	Z30862029	RAYMOND, KORFHAGE	RG RES	
03	THOUSAND OAKS CT, 3203	Z30860039	MARCIE, COHEN	RG RES	
04	THOUSAND OAKS CT, 3204	Z30876029	RAYMOND E, NOLAN	RG RES	
05	THOUSAND OAKS CT, 3205	Z30858029	GREGORY, COLLINS	RG RES	
06	THOUSAND OAKS CT, 3207	Z30853019	JAMES ALLAN, DUNN	RG RES	
07	THOUSAND OAKS CT, 3209	Z30848039	VINCENT J, LOCOCO	RG RES	
08	THOUSAND OAKS DR, 3100	Z30900019	DARYL, METCALF	RG RES	
09	THOUSAND OAKS DR, 3101	Z30898019	RAY HASS MARKETING	RG RES	
10	THOUSAND OAKS DR, 3102	Z30910039	ALBERT L, GUTTERMAN SR	RG RES	
11	THOUSAND OAKS DR, 3103	Z30896019	DOUG, ANTLE	RG RES	
12	THOUSAND OAKS DR, 3104	Z30912029	J ELAINE, MERRICK	RG RES	
13	THOUSAND OAKS DR, 3105	Z30892039	RUSSELL, BAUMGARDNER	RG RES	
14	THOUSAND OAKS DR, 3106	Z30916029	LINDA, WEMES	RG RES	
15	THOUSAND OAKS DR, 3107	Z30888019	STEPHEN V, GRANT	RG RES	
16	THOUSAND OAKS DR, 3108	Z30918029	BERNARD E, RAY JR	RG RES	
17	THOUSAND OAKS DR, 3109	Z30882029	SHARON A, WESSLING	RG RES	
18	THOUSAND OAKS DR, 3109	Z30884019	ROBERT, WESSLING	RG IRR	
19	THOUSAND OAKS DR, 3111	Z30880029	PETER & PAM M, KIRSCH	RG RES	
20	THP DEVELOPMENT CO	TS05601019	N ALICE WALL ELEM SCH	RG COM	
21	THP DEVELOPMENT INC	BJ40122039	2110, S HURSTBOURNE PKY	RG IRR	

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19

NAME OR ADDRESS	ACCOUNT	INFORMATION	SS TYPE	DTE/TIME
PINE VALLEY DR, 282	KT04031459	ANTHONY, SCHLACHTER	RG RES	
PINE VALLEY DR, 292	KT04031229	JOHN L, MURPHY	RG RES	
PINE VALLEY DR, 293	KT04026419	BRENDA, WESTON	RG RES	
PINE VALLEY DR, 312	KT04031019	HENRY & NORMA, PADGETT	RG RES	
PINE VALLEY DR, 313	KT04026619	ROBERT L, BROWN	RG RES	
PINE VALLEY DR, 330	KT04030829	JENNIFER SCHLACHTER	RG RES	
PINE VALLEY TR, 8331	BW12103019	GEORGE & SHARON, BETH	RG RES	
PINE VALLEY TRAIL, 8511	BW12100519	KENNETH, MILLER	RG RES	
PINE VALLEY TRL, 8300	BW12104029		OF RES	
PINE VALLEY TRL, 8401	BW12101819	THERESA & RONALD, PIVOT	RG RES	
PINE VALLEY TRL, 8421	BW12101619	DENNIS & JOYCE, MCCLAIN	RG RES	
PINE VALLEY TRL, 8500	BW12113419	JOSEPH S, ROGERS	RG RES	
PINE WAY, 703	AN35990049	ROBERT, LAUDER	RG RES	
PINE WAY, 704	AN35996029	RICK, RUBENSTEIN	RG RES	
PINE WAY, 805	AN35992019	JOSEPH A, VINCENT	RG RES	
PINE WAY, 806	AN35994029	KATRINE, DOUGHTEN	RG RES	
PINE, GORDON F	AU11821019	2800, WINDSOR FOREST DR	RG RES	
PINE, GORDON F & PAULINE	DD87212029	11811, MONDAMON DR	FN RES	
PINE, TARA L	Y11490059	111, FREEMAN AVE	RG RES	
PINECONE CIR, 3500	EP34635029	DUANE, RAY	RG RES	
PINECONE CIR, 3501	EP34595049	PAT, HATCHER	FN RES	

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LN	NAME OR ADDRESS	ACCOUNT	INFORMATION	SS TYPE	DTE/TIME
01	BIG VALLEY DR, 348	KT04034019	MARK, LEWIS	RG RES	
02	BIG VALLEY DR, 381	KT04050829	JENNY LYNN, MONTGOMERY	FN RES	
03	BIG VALLEY DR, 381	KT04050839	JENNY LYNN, MONTGOMERY	RG RES	
04	BIG VALLEY DR, 391	KT04050629	LARRY, MARTIN	WO RES	SEP 1997
05	BIG VALLEY DR, 391	KT04050639	RICHARD L, CUNDIFF	RG RES	
06	BIG VALLEY DR, 392	KT04034229	MARY, ELMORE	RG RES	
07	BIG VALLEY DR, 402	KT04035029	RON J, BARBER	WO RES	JAN 1997
08	BIG VALLEY DR, 402	KT04035039	SANDRA, ABELL	RG RES	
09	BIG VALLEY DR, 408	KT04034429	KATHY L, ALLEN	WO RES	JAN 1996
10	BIG VALLEY DR, 408	KT04034439	DIANNE L, HALL	RG RES	
11	BIG VALLEY DR, 417	KT04051129	EDWARD, SCHMADER	WO RES	SEP 1998
12	BIG VALLEY DR, 417	KT04051139		OF RES	06/16/BO
13	BIG VALLEY DR, 419	KT04050419	MICHAEL, MATHERY SR	WO RES	MAY 1996
14	BIG VALLEY DR, 419	KT04050429	TAMITHIE A, BAKER	WO RES	MAY 1998
15	BIG VALLEY DR, 419	KT04050439	CINDY L, MANN	RG RES	
16	BIG VALLEY DR, 431	KT04050029	CHUCK, NEWTON	WO RES	MAY 1999
17	BIG VALLEY DR, 431	KT04050039	CINDY, GIBBS	WO RES	JUN 1999
18	BIG VALLEY DR, 431	KT04050049	SHERRY R, RUSSELL	RG RES	
19	BIG VALLEY DR, 441	KT04049849	DEBBIE, GLASS	WO RES	SEP 1996
20	BIG VALLEY DR, 441	KT04049859	MISTY M, KEITH	WO RES	SEP 1997
21	BIG VALLEY DR, 441	KT04049869	DEVON, MYERS	RG RES	

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NAME OR ADDRESS	ACCOUNT	INFORMATION	SS TYPE	DTE/TIME
BIG VALLEY DR, 441	KT04049869	DEVON, MYERS	RG RES	
BIG VALLEY DR, 442	KT04034819	DANA, HILTON	RG RES	
BIG VALLEY DR, 457	KT04049629	ANNA M, MILLER	RG RES	
BIG VALLEY DR, 463	KT04049429	MIKE & TAMMY, YOUNG	RG RES	
BIG VALLEY DR, 473	KT04049219	DOROTHY, CAPPS	RG RES	
BIG VALLEY DR, 482	KT04035229	RICKY GENE, BARR	RG RES	
BIG VALLEY DR, 485	KT04049019	DWAYNE, STEWART	RG RES	
BIG VALLEY DR, 492	KT04035429		IN RES	
BIG VALLEY DR, 497	KT04048829	ROBIN, SCROGHAM	WO RES	MAY 1996
BIG VALLEY DR, 497	KT04048839	DOROTHY, ADKINS	RG RES	
BIG VALLEY DR, 502	KT04035629	HELEN D, FACKLER	WO RES	DEC 1995
BIG VALLEY DR, 502	KT04035639	DONNA C, STEPHENS	RG RES	
BIG VALLEY DR, 509	KT04048629	DAVID J, WALSH	RG RES	
BIG VALLEY DR, 516	KT04035819	TONY, COX	FN COM	
BIG VALLEY DR, 516	KT04035829	TABATHA, VIA	RG COM	
BIG VALLEY DR, 534	KT04036019	HOWARD, GADDIE	RG RES	
BIG VALLEY DR, 541	KT04048219	FRANCIS W, JOHNSON	RG RES	
BIG VALLEY DR, 567	KT04047819	ALICE J, DENNISON	RG RES	
BIG VALLEY DR, 571	KT04045019	MARTHA, SMITH	RG RES	
BIG VALLEY DR, 615	KT04047419	CHARLES L, SAMUELS	RG RES	
BIG VALLEY DR, 685	KT04046629	SHEILA D, YOUNG	RG RES	

*CXX (DW DM DA DS DT WO) LINE NUMBER COMMENT IF A DT
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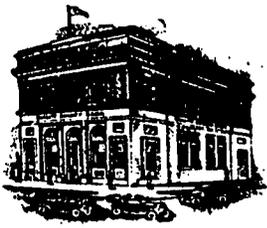
NAME OR ADDRESS	ACCOUNT	INFORMATION	SS TYPE	DTE/TIME
BIG VALLEY DR, 685	KT04046629	SHEILA D, YOUNG	RG RES	
BIG VALLEY DR, 703	KT04046419	DYLENE, SHEA	FN RES	
BIG VALLEY DR, 703	KT04046429	BARBARA L, DEWEES	RG RES	
BIG VALLEY DR, 737	KT04046219	WALTER B, CROUCH	RG RES	
BIG VALLEY DR, 750	KT04045219	JAMES, POYNER	RG RES	
BIG VALLEY DR, 759	KT04046019	BEN, PICKARD JR	RG RES	
BIGARI, CLARENCE	HP14183059	805, FENLEY AVE	RG RES	DEC 1995
BIGELOW DR, 3709	BJ31248019	RICHARD K, WALTS	RG RES	
BIGELOW DR, 3710	BJ31300029	JOSEPH K, WOODS	RG RES	
BIGELOW DR, 3711	BJ31247029	C E, PEDIGO	RG RES	
BIGELOW DR, 3712	BJ31301039	LEDO, PETRUCCI	RG RES	
BIGELOW DR, 3713	BJ31246029	CAROL L, PORTER	RG RES	
BIGELOW DR, 3714	BJ31302019	CAROL, OBRIEN	RG RES	
BIGELOW DR, 3715	BJ31245019	JOHN R, DRAEWELL	RG RES	
BIGELOW DR, 3800	BJ31378029	WILLIAM G, OPDENAKER	RG RES	
BIGELOW DR, 3801	BJ31106019	CHRIS, STAVE	RG RES	
BIGELOW DR, 3803	BJ31105029	HAMID, SHAFIEI	RG RES	
BIGELOW DR, 3805	BJ31104019	WM G, BURK	RG RES	
BIGELOW DR, 3807	BJ31103019	THOMAS W, WILLIAMS	RG RES	
BIGELOW DR, 3809	BJ31102019	CLAUDE L, BROCK	RG RES	
BIGELOW DR, 3810	BJ31098019	BARRY S, DODSON	RG RES	

ELLEN



❖CXX (DW DM DA DS DT WO) LINE NUMBER COMMENT IF A DT
 ENTER NEXT FUNCTION ❖

*Includes # 6
 Ben Richard
 75 acs*



Bullitt County Bank

Shepherdsville, Kentucky

July 20, 1999

John L Ford
Wanda Ford
303 Overdale Drive
Hillview, KY 40229

Dear Mr. & Mrs. Ford:

Your \$10,000.00 equity line of credit application has been approved, subject to bank policies as explained to you.

If you have any questions, please give me a call.

Sincerely,


Jim Travis
Branch Manager

Interest rate 8.5% with

Bullitt County Health Department

P.O. Box 278

Ned Fitzgibbons
Public Health Director

181 Lees Valley Road
Shepherdsville, Kentucky 40165

(502) 955-7837
FAX 543-2998

October 2, 1998

To Whom It May Concern:

This letter is written regard in regards to the repairs needed on the lagoon type sewage treatment plant at the Big Valley subdivision in Bullitt County Kentucky.

The following entities have agreed to contribute the stated amounts to assist in repair and renovation:

Peoples Bank of Bullitt County	- \$10,000.00
First Federal Savings Bank	- 6,000.00
Bullitt County Board of Health	- 10,000.00

Total \$26,000.00

The Bullitt County Board of Health is not requiring a performance or surety bond from John Ford (as owner-operator) as the Board understands that the Public Service Commission will require a bond or some form of guarantee of repair completion and operational continuance from Mr. Ford.

Sincerely,



Ned Fitzgibbons
Director
Bullitt County Health Dept.



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-1582

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

November 8, 1999

Mr. John Ford
P.O. Box 29739
Louisville, Kentucky 40229

Mr. William Hurst
Chrysler Building, Suite 123
4229 Bardstown Road
Louisville, Kentucky 40218

Mr. Wendell Overcash
Natural Resources and Environmental
Protection Cabinet
Department for Environmental Protection
Frankfort Office Park
14 Reilly Road
Frankfort, Kentucky 40601

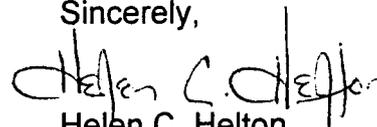
Mr. Bobby Kenner
Natural Resources and Environmental
Protection Cabinet
Department for Environmental Protection
Frankfort Office Park
14 Reilly Road
Frankfort, Kentucky 40601

Re: Big Valley Mobile Home Subdivision Sewage Treatment Plant
Case No. 99-319

Gentlemen:

Attached is a copy of the memorandum which is being filed into the record of the above-referenced case. If you have any comments that you would like to make regarding the contents of the informal conference memorandum, please do so within ten days of receipt of this letter. Should you have any questions regarding same, please contact Anita Mitchell at (502) 564-3940.

Sincerely,


Helen C. Helton
Executive Director

Attachment



INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION **FILED**

NOV 08 1999

PUBLIC SERVICE
COMMISSION

TO: Case File No. 99-319
FROM: Anita Mitchell
Staff Attorney
DATE: November 8, 1999
RE: Conference of September 8, 1999

On September 8, 1999, the Commission held a conference in this case at the Commission's offices in Frankfort, Kentucky. Present were:

John Ford	Big Valley
William Hurst	CPA, Big Valley
Wendell Overcash	Natural Resources, Division of Water
Bobby Kenner	Natural Resources, Division of Water
Brent Kirtley	PSC
Mark Frost	PSC
James Rice	PSC
Sam Reid	PSC
Anita Mitchell	PSC

Beginning the conference, Anita Mitchell explained the procedure and stated that Commission Staff would prepare minutes of the conference for the case record, that a copy of the minutes would be provided to all parties, and that all parties would have the opportunity to submit written comments upon the minutes.

Ms. Mitchell explained to the participants that the conference was scheduled to provide Commission Staff and Mr. Ford the opportunity to meet and discuss the deficiencies noted in the application submitted to the Commission.

Mr. Overcash of Natural Resources and Environmental Protection Cabinet, Division of Water, provided Staff with information on the situation at Big Valley and explained that the Department of Water was very interested in seeing this utility transferred to Mr. Ford. Mr. Overcash explained that there is presently a lien on the property, but if Mr. Ford is permitted to take over the utility, the lien will be released.

A brief discussion was then held regarding the notice that should be provided to the customers of this utility. Staff explained that since the utility had been abandoned, the customers should be advised that a proposal is being made to provide sewer service again and what charges are proposed for the service. Staff explained that the notice was required to be mailed to all customers that would be served. Staff agreed to provide Mr. Ford with a sample notice. Staff instructed Mr. Ford that he should file something with the Commission stating when notice was provided, a copy of the notice and a list of the customers sent the notice.

The participants then discussed the engineering documents that the Commission required. A discussion was held regarding the improvements and repairs needed. Staff questioned Mr. Ford about the equipment and estimates of the price of the equipment set forth on page 3 of the application. James Rice instructed Mr. Ford and Mr. Hurst that he would need to have an approval letter from the Department of Water and a letter from an engineer explaining the project along with a statement that the project proposed will operate properly.

Staff explained that a tariff is also required. Staff agreed to provide a sample tariff to assist Mr. Ford.

Staff then explained that it would be necessary for Mr. Ford to provide the Commission with some information regarding the equity line of credit at Bullitt County Bank. Staff explained that it must be supplied the interest rate and the terms and conditions of the credit.

Mr. Ford expressed to Staff that he would like to have the plant up and running before cold weather. Staff informed him that it could begin review of the application but that it could not process the application to conclusion until all the deficiencies were cured.

Mr. Hurst informed Staff that he would get a certified copy of the Articles of Incorporation and file them in the case file.

Sept. 8, 1999.

TRIS VALLEY SANITATION
SIGN IN SHEET

JAMES RICE
WILLIAM HERSE
John. Ford
Wendell Overcash
Bobby Kenner
Brent Kirtley
Arita Mitchell
Mark C. Frost

PSC STAFF
John Ford / TRIS VALLEY
-
NREPC / DOW 564-3410
NREPC / DOW " "
PSC Staff
PSC
PSC

JAMES E. BICKFORD
SECRETARY



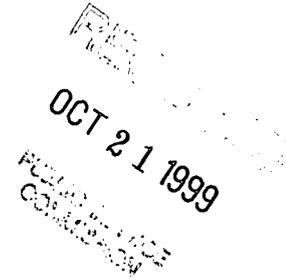
99-319
PAUL E. PATTON
GOVERNOR

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION

FRANKFORT OFFICE PARK
14 REILLY RD
FRANKFORT KY 40601

October 12, 1999

James D. Rice
Water and Sewer Branch
Public Service Commission
730 Schenkel Lane
P.O. Box 615
Frankfort, KY 40602



Dear Mr. Rice:

This letter is to inform you that on October 6, 1999, at 1:30 p.m., I arranged a meeting between Bennie McWain of the Division of Water's Facilities Construction Branch and John Ford. The purpose of the meeting was to allow Mr. Ford and his consulting engineer, Mr. Woody Smither, the opportunity to describe their proposed upgrades to the Big Valley Mobile Home Park Wastewater Treatment Plant in Bullitt County. I wanted Mr. McWain and the other individuals in attendance to be able to see first-hand what Mr. Ford proposed to do in case any questions or concerns arose.

Mr. Smither will be submitting the required plans and specifications to the Facilities Construction Branch once they are completed. Mr. McWain stated that Facilities Construction would primarily be looking at the design and rehabilitation of the pumping station as well as the aeration specs. The meeting went very well and Mr. Ford understood what would need to be submitted to the DOW for proper review and approval. Attached is a photocopy of the names of the meeting's attendants. Should you have any questions or concerns, please call me at (502) 564-3410, ext. 567.

Sincerely,

A handwritten signature in cursive script that reads "Bobby Kenner".

Bobby Kenner, Enforcement Specialist
Western Case Preparation
Enforcement Branch
Division of Water

c: Bennie McWain
Wendell Overcash
Mike Mudd
Sue Davis



Printed on Recycled Paper
An Equal Opportunity Employer M/F/D

D.O.W. Conference Room 4

Big Valley

1:30P
10/6/99

Name	Representing	Phone
Bennie L. McWain	D.O.W. Fac. Const Br.	502-564-3410
Mike Mudd	DOW Lou. R. O	502/425-4671
John Paul		502/955-6604
Bobby Kennet	DOW Enforcement	502/564-3410
Sue L. Davis	DOW KPDES	"
Wendell H Overcash	DOW/OHS	564-5410 Ext 3
W. M. Smithers Esq	John Ford	502/456 1969

RECEIVED
OCT 21 1999
PLANNING
COMMISSION
Case # 99-319

RECEIVED

OCT 19 1999

SERVICE



John Y. Brown III
Secretary of State

Certificate of Existence

I, JOHN Y. BROWN III, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

BIG VALLEY SANITATION, INC.

is a corporation duly organized and existing under KRS Chapter 271B, whose date of incorporation is July 28, 1999 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 271B.16-220 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 19th day of October, 1999.

John Y. Brown, III

JOHN Y. BROWN III
 Secretary of State
 Commonwealth of Kentucky



JOHN Y. BROWN III
SECRETARY OF STATE

RECEIVED

OCT 19 1999

PUBLIC SERVICE
COMMISSION

CERTIFICATE

I, **JOHN Y. BROWN III**, Secretary of State for the Commonwealth of Kentucky, do certify that the foregoing writing has been carefully compared by me with the original record thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of **ARTICLES OF INCORPORATION OF**
BIG VALLEY SANITATION, INC. FILED JULY 28, 1999.

IN WITNESS WHEREOF, I have hereunto
set my hand and affixed my official seal.

Done at Frankfort this 19TH day of

OCTOBER, 1999

John Y. Brown III
Secretary of State, Commonwealth of Kentucky

477857

ARTICLES OF INCORPORATION
OF
BIG VALLEY SANITATION, INC.

RECEIVED & FILED
#5088
SEP 29 AM 10:52

CLERK OF STATE
COMMONWEALTH OF KENTUCKY
BY DD

ARTICLE I.

The name of the corporation is BIG VALLEY SANITATION, INC.

ARTICLE II.

The corporation shall have the power to engage in any lawful activity for which corporations may be organized under the Kentucky Business Corporation Act.

ARTICLE III.

The duration of the corporation shall be perpetual.

ARTICLE IV.

The aggregate number of shares that the corporation shall have authority to issue is one hundred (100) shares. All such shares shall be of a single class, designated as common.

ARTICLE V.

Each holder of common shares shall have one vote for each such share held of record on all matters submitted for shareholder approval. Except as otherwise specifically required by law, or except as specifically provided in these articles of incorporation, all other matters requiring shareholder approval shall require an affirmative vote of a majority of the shares voting thereon. The holders of the common shares shall have unlimited voting rights and the right to receive the net assets of the corporation upon its dissolution.

At each election for directors, the shareholders shall be entitled to cast votes using the cumulative method of voting for directors.

ARTICLE VI.

The corporation elects to have preemptive rights.

ARTICLE VII.

The corporation shall indemnify to the fullest extent permitted by the Kentucky Business Corporation Act any person who has been made, or is threatened to be made, a party to an action, suit, or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the corporation), by reason of the fact that the person is or was a director or officer of the corporation, or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to an employee benefit plan of the corporation, or serves or served at the request of the corporation as a director, or as an officer, or as a fiduciary of an employee benefit plan, of another corporation, partnership, joint venture, trust or other enterprise. In addition, the corporation shall pay for or reimburse any expenses incurred by such persons who are parties to such proceedings, in advance of the final disposition of such proceedings, to the full extent permitted by the Kentucky Business Corporation Act.

ARTICLE VIII.

No director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for conduct as a director; provided that this Article does shall not eliminate the liability of a director for any act or omission for which such elimination of liability is not permitted under the Kentucky Business Corporation Act. No amendment to that Act that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a director for any act or omission which occurs prior to the effective the of such amendment.

ARTICLE IX.

The bylaws of the corporation may be amended by majority vote of either the directors or the shareholders.

ARTICLE X.

The number of directors of the corporation shall be fixed by the bylaws of the corporation. The initial board of directors shall consist of ONE (1) director whose name and address is as follows:

JOHN L. FORD
303 OVERDALE DRIVE
LOUISVILLE, KY 40229

ARTICLE XI.

The initial registered agent of the corporation is LINDA S. BOUVETTE. The street address of the corporation's initial registered office is 37 W. MAIN STREET, TAYLORSVILLE, KENTUCKY 40071.

ARTICLE XII

The mailing address of the corporation's principal office is 303 OVERDALE DRIVE, LOUISVILLE, KENTUCKY 40229.

ARTICLE XIII.

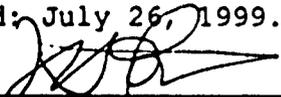
The name and address of the incorporator of the corporation is:

LINDA S. BOUVETTE
P.O. BOX 509
TAYLORSVILLE, KY 40071

IN WITNESS WHEREOF, the undersigned being the only incorporator of said corporation executes these articles of incorporation and verify, subject to penalties of perjury, that the statements contained herein are true.

The undersigned hereby consents to serve as the registered agent for the corporation.

Dated: July 26, 1999.

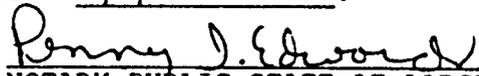


LINDA S. BOUVETTE, Incorporator

STATE OF KENTUCKY
COUNTY OF SPENCER

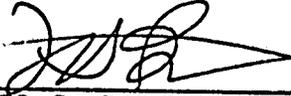
The foregoing ARTICLES OF INCORPORATION were acknowledged to before me by LINDA S. BOUVETTE, Incorporator, this 26th day of July, 1999, to be her true act and deed.

My commission expires: 9-1-2002.



NOTARY PUBLIC STATE AT LARGE

This instrument prepared by:



LINDA S. BOUVETTE
ATTORNEY AT LAW
P.O. Box 509
Taylorsville, KY 40071



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KENTUCKY 40602
www.psc.state.ky.us
(502) 564-3940
Fax (502) 564-3460

Ronald B. McCloud, Secretary
Public Protection and
Regulation Cabinet

Helen Helton
Executive Director
Public Service Commission

Paul E. Patton
Governor

August 27, 1999

John L. Ford
Owner/President
Big Valley Sanitation, Inc.
P.O. Box 29739
Louisville, KY 40229

Re: Case No. 99-319
Filing Deficiencies

Dear Mr. Ford:

The Commission staff has conducted an initial review of your filing in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, as it is deficient in certain filing requirements. The items listed below are either required to be filed with the application or must be referenced if they are already on file in another case or will be filed at a later date.

Filing deficiencies pursuant to 807 KAR 5:001:

1. Section 8(3): If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto or if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.
2. Section 9(2)(b): Copies of franchises or permits, if any, from the proper public authority for the proposed new construction or extension, if not previously filed with the commission.
3. Section 9(2)(c): A full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be

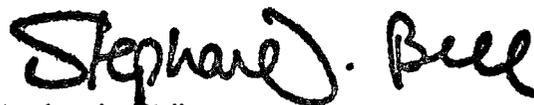


constructed, and also the names of all public utilities, corporations, or persons with whom the proposed new construction or extension is likely to compete.

4. Section 9(2)(d): Three (3) maps to suitable scale (preferably not more than two (2) miles per inch) showing the location or route of the proposed new construction or extension, as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership of such other facilities.
5. KRS 322.340: At least one copy of preliminary and final engineering report is signed, sealed, and dated by registered professional engineer.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You are requested to file 10 copies of this information within 15 days of the date of this letter. If you need further information, please contact James Rice of my staff at (502) 564-3940, ext. 411.

Sincerely,



Stephanie Bell
Secretary of the Commission

sa





COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 19, 1999

John L. Ford
Owner/President
Big Valley Sanitation, Inc.
P. O. Box 29739
Louisville, KY. 40229

RE: Case No. 99-319

We enclose one attested copy of the Commission's Order in
the above case.

Sincerely,

Stephanie J. Bell
Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

IN THE MATTER OF THE APPLICATION FOR)
APPROVAL TO ACQUIRE OWNERSHIP OF)
THE SEWAGE TREATMENT FACILITIES)
LOCATED IN THE BIG VALLEY MOBILE HOME)
PARK, FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO MAKE)
PLANT IMPROVEMENTS, AND FOR APPROVAL)
OF RATES)

CASE NO. 99-319

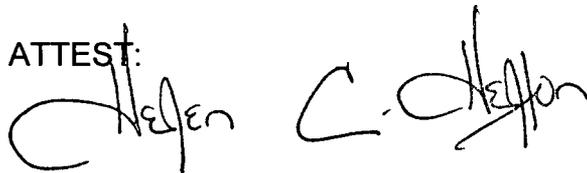
O R D E R

The Commission, on its own motion, HEREBY ORDERS that an informal conference shall be held September 8, 1999 at 9:00 a.m., Eastern Daylight Time, in Conference Room 2 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 19th day of August, 1999.

By the Commission

ATTEST:



Executive Director



COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION

730 SCHENKEL LANE
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

August 2, 1999

John L. Ford
Owner/President
Big Valley Sanitation, Inc.
P. O. Box 29739
Louisville, KY. 40229

RE: Case No. 99-319
BIG VALLEY SANITATION, INC.
(Transfer/Sale/Purchase/Merger) (Construct, Rates)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received July 28, 1999 and has been assigned Case No. 99-319. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell
Secretary of the Commission

SB/jc

BIG VALLEY SANITATION, INC.
P O BOX 29739
LOUISVILLE, KY 40229

JULY 27, 1999

RECEIVED
JUL 28 1999
PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
730 SCHENKEL LANE
P O BOX 615
FRANKFORT, KY 40602

RE: BIG VALLEY MOBILE HOME SUBDIVISION SEWAGE TREATMENT PLANT
CASE NO. ~~94-451~~ 99-319

GENTLEMEN:

PLEASE CONSIDER THIS AS THE APPLICATION FOR APPROVAL TO ACQUIRE OWNERSHIP OF THE SEWAGE TREATMENT FACILITIES LOCATED IN THE BIG VALLEY MOBILE HOME PARK, FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO MAKE PLANT IMPROVEMENTS, AND FOR APPROVAL OF RATES.

PURSUANT TO KRS 278.020 BIG VALLEY SANITATION, INC. COMES BEFORE THE PUBLIC SERVICE COMMISSION AND STATES THE FOLLOWING:

1. BIG VALLEY SANITATION, INC., IS A CORPORATION ORGANIZED UNDER THE LAWS OF THE COMMONWEALTH OF KENTUCKY. THE CORPORATION IS AWAITING ITS ARTICLES OF INCORPORATION. IT WAS INCORPORATED JULY 27, 1999. WHEN THEY ARE RECEIVED, THEY WILL BE FORWARDED TO YOUR OFFICE, TO BE MADE PART OF THIS APPLICATION.
2. BIG VALLEY SANITATION, INC. HAS THE FOLLOWING MAIL ADDRESS.
BIG VALLEY SANITATION, INC.
P O BOX 29739
LOUISVILLE, KY 40229
3. FACTS SURROUNDING THE SEWAGE TREATMENT FACILITIES.
 - A. FACILITIES ARE BIG VALLEY MOBILE HOME SUBDIVISION SEWAGE TREATMENT PLANT LOCATED ON PRYOR VALLEY ROAD, SHEPHERDSVILLE, BULLITT COUNTY, KENTUCKY.
 - B. CURRENT OWNER, EUGENE MCGRUDER, SEE ATTACHED ORDER OF PUBLIC SERVICE COMMISSION, CASE NO. 94-451.

3. C. OWNER, EUGENE MCGRUDER ABAONDED THE PLANT, PSC HAS INVITED JOHN L FORD TO TAKE OVER OWNERSHIP, AND OPERATION OF THE PLANT. (SEE CASE NO. 94-451)
- D. THE DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER, LOUISVILLE REGIONAL OFFICE, AND THE BULLITT COUNTY HEALTH APPROACHED JOHN L. FORD, A LICENSED OPERATOR TO TAKE OVER THE OWNERSHIP AND OPERATIONS OF THE PLANT.
- E. DESCRIBE APPLICANT'S AGREEMENT WITH HEALTH DEPARTMENT/DIVISION OF WATER AND ATTACH A COPY OF SUCH AGREEMENT AS AN EXHIBIT.

THERE IS NO OFFICIAL EXECUTED AGREEMENT AS YET, SEE COPY OF THE AGREED JUDGEMENT W/EUGENE MCGRUDER ATTACHED. WHEN PSC APPROVES JOHN L FORD AS OWNER AND OPERATOR, THE AGREEMENT WILL BE EXECUTED.

- F. DESCRIBE ANY TRANSFER AGREEMENT AND ATTACH A COPY OF SUCH AGREEMENT AS AN EXHIBIT. SEE COPY OF AGREED JUDGMENT ATTACHED.
- G. DESCRIBE THE CURRENT CONDITION OF THE TREATMENT PLANT.

CURRENTLY THERE IS NO EQUIPMENT OPERATING WITH THIS PLANT. THERE IS NO AERATION IN THE LAGOON. THERE IS NO LIFT STATION, PUMPS HAVE BEEN REMOVED. THERE IS NO SERVICE BEING PROVIDED AT THIS TIME. IT IS UNDERSTOOD THAT BULLITT COUNTY HEALTH DEPARTMENT IS HOLDING \$26,000 TO UPGRADE THIS PLANT AND MAKE OPERATIONAL.
4. JOHN L FORD HAS THE TECHNICAL, MANAGERIAL, AND FINANCIAL ABILITY IF THE \$26,000 FOR UPGRADE IS INCLUDED FOR PROVIDING REASONABLE UTILITY SERVICE.

- A. JOHN L. FORD WILL MAINTAIN AND OPERATE THIS PLANT. MR FORD HAS THE FOLLOWING QUALIFICATIONS. CURRENTLY HE IS LICENSED TO OPERATE IN KENTUCKY UNDER LICENSE # 06607.
- B. JOHN L. FORD WILL MANAGE THE PLANT. HIS EXPERIENCE EXTENDS OVER A PERIOD OF SOME 30 YEARS.
- C. JOHN L. FORD'S EXISTING FINANCIAL SOURCES ARE PROVIDED IN THE ATTACHED FINANCIAL STATEMENT.

5. JOHN L. FORD HAS, IN COMPLIANCE WITH ADMINISTRATIVE REGULATION 807 KAR 5:071, SECTION 3 OBTAINED A EQUITY LINE OF CREDIT TO INSURE CONTINUED OPERATION OF THE PLANT. COPY ATTACHED.

6. UPON TRANSFER OF OWNERSHIP OF THE SEWAGE TREATMENT FACILITIES. JOHN L FORD PROPOSED TO MAKE THE FOLLOWING IMPROVEMENT TO THE FACILITIES.

IMPROVEMENTS AND REPAIRS NEEDED TO MEET THE REQUIREMENTS OF A DISCHARGE PERMIT.

2 AUTOBINE AREATORS COST OF	\$ 9,800.00
1 WHIRLY BIRD AREATOR	3,800.00
1 PUMP STATION	9,010.00
1 CHLORINATION UNIT	700.00
1 BAFFEL	3,800.00
INSTALATION OF EQUIPMENT	4,800.00

TOTAL	\$31,910.00
	=====

7. DIVISION OF WATER APPROVAL IS REQUIRED. THIS NEEDED APPROVAL IS TO BE WORKED OUT WITH MACHAEL S MUDD, ENVIRONMENTAL CONTROL SUPERIVSOR, AND WENDAELL OVERCASH, ATTORNEY CHIEF.

8. A DETAILED MAP OF THE SEWAGE TREATMENT FACILITIES SHOWING LOCATION OF PLANT, EFFLUENT DISCHARGE, COLLECTION MAINS, MANHOLES AND UTILITY SERVICE AREA IS ATTACJED.

9. A DETAILED EXTIMATED COST OF CONSTRUCTION INCLUDING ALL CAPITALIZED COSTS IS LISTED IN ITEM 6 ABOVE.

10. THE PROPOSED IMPROVEMENTS ARE REQUIRED BECAUSE THE PLANT HAS BEEN ABANDONED BY EUGENE MCGURDER, AND IS INOPERABLE. SEE AGREED COURT JUDGMENT ATTACHED HEREWITH.

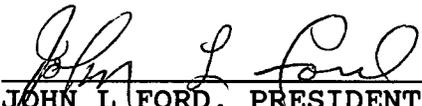
11. UPON COMPLETION OF THE PROPOSED IMPROVEMENTS, JOHN L. FORD WILL BEGIN PROVIDING SERVICE TO APPROXIMATELY 108 CUSTOMERS. JOHN L.FORD ESTIMATES THE MONTHLY EXPENSES TO BE APPROXIMATELY \$ 4,615.00 AND PROPOSES TO CHARGE A MONTHLY SERVICE RATE OF \$42.73. A DESCRIPTION OF THE MONTHLY EXPENSES AND A DETAILED CALCULATION OF THE PROPOSED MONTHLY RATES ARE ATTACHED HEREWITH.

12. THE NOTICE OF PROPOSED RATES WAS PROVIDED TO PERSONS SERVED BY THE TREATMENT PLANT. THIS WAS PROVIDED AT A MEETING HELD AT THE PUBLIC LIBRARY, AUGUST 28, 1998. LARRY UPDIKE OF PSC CHAIRED THE MEETING AND MICHAEL MUDD FROM THE DIVISION OF WATER WAS PRESENT. OTHER OFFICIALS OF PSC AND THE DIVISION OF WATER WERE ALSO PRESENT.

WHEREFORE JOHN L. FORD REQUESTS THAT THE PUBLIC SERVICE COMMISSION

1. APPROVE THE PROPOSED TRANSFER OF OWNERSHIP OF THE SEWAGE TREATMENT FACILITIES LOCATED IN THE BIG VALLEY MOBILE HOME PARK TO BIG VALLEY SANITATION, INC.. JOHN L. FORD OWNS 100% OF THE CORPORATION.
2. GRANT A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR THE PROPOSED IMPROVEMENTS SET FORTH IN THE APPLICATION.
3. APPROVED THE PROPOSED RATES FOR SERVICE ON AND AFTER THE DATE OF THE PROPOSED TRANSFER.
4. GRANT ANY AND OTHER RELIEF DEEMED APPROPRIATE.

RESPECTFULLY SUBMITTED,



JOHN L FORD, PRESIDENT OF
BIG VALLEY SANITATION, INC.
P O BOX 29739
LOUISVILLE, KY 40229
TELEPHONE: 502-955-6604

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EUGENE MCGRUDER D/B/A BIG VALLEY MOBILE)
HOME SUBDIVISION SEWAGE TREATMENT PLANT)
-----)
INVESTIGATION INTO THE CONDITION AND) CASE NO. 94-451
JURISDICTIONAL STATUS OF SEWAGE UTILITY)
FACILITIES)

O R D E R

This matter concerns the jurisdictional status and condition of the sewage treatment plant which serves the Big Valley Mobile Home Subdivision of Bullitt County, Kentucky. It poses two issues: (1) Is the owner of the sewage treatment facilities in question a "utility" and thus subject to Commission jurisdiction? and (2) Have these facilities been abandoned? Having considered the evidence of record, the Commission finds in the affirmative on both issues.

On September 20, 1994, the Attorney General ("AG") and the Natural Resources and Environmental Protection Cabinet ("NREPC") requested a review of the jurisdictional status of sewage treatment facilities serving the Big Valley Mobile Home Subdivision. They asserted that the plant and its related facilities are subject to Commission jurisdiction and are not being operated in accordance with Commission regulations.

Prior to the receipt of this request, Commission Staff conducted a field investigation of the sewage treatment plant in question on March 28, 1994. In the report of its investigation,

Commission Staff made several findings which suggested that the sewage treatment plant was subject to Commission jurisdiction.

On December 1, 1994, the Commission ordered Eugene McGruder, the owner of Big Valley Mobile Home Park Sewage Treatment Plant to appear before the Commission to present evidence on the jurisdictional status of the sewage treatment plant, its compliance with Commission regulations, and whether it had been abandoned. The AG and NREPC appeared at a hearing on January 9, 1995 and presented evidence on these issues. Prior to the hearing, Mr. McGruder, through his legal counsel, notified the AG and NREPC that he would not appear.

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Eugene McGruder owns the Big Valley Mobile Home Park Sewage Treatment Plant.
2. This plant is located in Bullitt County, Kentucky and serves 58 residents of the Big Valley Mobile Home Park Subdivision.
3. Each customer pays a monthly fee of \$20 to the Big Valley Condo Association for water, garbage, and streetlight services and common area maintenance. Additionally each customer must pay a \$10 monthly fee to Eugene McGruder for sewer service.
4. The Big Valley Condo Association collects both fees and forwards the sewer service fee to McGruder.
5. Electric service to the sewage treatment plant was discontinued in December 1993 for nonpayment of bills.

6. Since December 1993, the sewage treatment facilities have not functioned.

7. Since on or before July 1, 1994, raw sewage has bypassed the sewage treatment plant's treatment lagoon.

8. The contents of the plant's treatment lagoon are septic.

9. Throughout most of 1994, the plant's chlorine chamber lacked chlorine. As a result, the plant's effluent has not received chlorine treatment.

10. The plant's existing condition poses a threat to public health and safety.

11. Until 1993, Mr. McGruder held a Kentucky Pollutant Discharge Elimination Permit for the sewage treatment plant. He failed to apply for renewal of this permit and the permit lapsed. The plant is currently discharging effluent in violation of Kentucky law.

12. The sewage treatment plant does not have a certified plant operator.

13. Franklin Circuit Court has on several occasions ordered Mr. McGruder to operate and maintain the sewage treatment facilities. Mr. McGruder has failed to comply with these orders and been found in contempt of court for his failures.

Based upon these findings, the Commission makes the following conclusions of law:

1. The Big Valley Mobile Home Park Subdivision Sewage Treatment Plant is a facility used in connection with the treatment of sewage for the public for compensation.

2. Mr. McGruder, doing business as the Big Valley Mobile Home Park, owns the Big Valley Mobile Home Park Subdivision Sewage Treatment Plant and is therefore a "utility." KRS 278.010(3)(f).

3. Mr. McGruder has abandoned the Big Valley Mobile Home Park Subdivision Sewage Treatment Plant.

Pursuant to KRS 278.021, IT IS HEREBY ORDERED that:

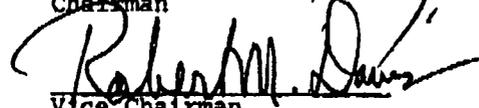
1. The Big Valley Mobile Home Park Subdivision Sewage Treatment is declared abandoned.

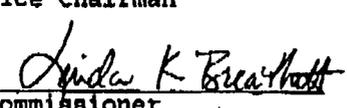
2. The appointment of a receiver to operate the Big Valley Mobile Home Park Sewage Treatment Plant is necessary.

Done at Frankfort, Kentucky, this 9th day of May, 1995.

PUBLIC SERVICE COMMISSION


 Chairman


 Vice Chairman


 Commissioner

ATTEST:


 Executive Director

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
CIVIL ACTION NO. 87-CI-0813
DIVISION NO. I

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND
ENVIRONMENTAL PROTECTION CABINET, AND
OFFICE OF ATTORNEY GENERAL

PLAINTIFFS

VS.

AGREED JUDGMENT

EUGENE McGRUDER

DEFENDANT

Upon motion of the parties to this Agreed Judgment, the Natural Resources and Environmental Protection Cabinet (hereinafter the "Cabinet"), Eugene McGruder (hereinafter "McGruder"); and John Ford (hereinafter "Ford"), each being in agreement as to various issues herein, the Court having considered the pleadings of the parties and being otherwise sufficiently advised,

IT IS HEREBY AGREED, ORDERED AND ADJUDGED:

1. The Cabinet is charged with the statutory duty of enforcing KRS Chapter 224 and the regulations promulgated pursuant thereto.
2. McGruder is the owner of a certain sewage treatment plant and associated sewage collection system (hereinafter collectively referred to as the "Facility") operated in conjunction with the Big Valley Mobile Home Park in Bullitt County, Kentucky.
3. The Facility is located primarily upon Lot 27, Section 6 of the Big Valley Mobile Home Subdivision according to the revised plat thereof filed of record in Plat Cabinet No. 1, Slide 558, of the official records of County Clerk, Bullitt County, Kentucky. (A copy of the relevant portion of the official records of County Clerk, Bullitt County showing the plat and survey of Lots 27 and 13, Section 6 of the Big Valley Mobile Home Subdivision is attached hereto and incorporated herein as Exhibit No. 1.)

4. The Public Service Commission (hereinafter the "PSC"), entered an Order on May 9, 1995, in PSC Case No. 94-451, holding: the Facility to be a jurisdictional utility governed by applicable statutes and regulations of the PSC, McGruder to be the owner of the Facility and that McGruder had abandoned the Facility. McGruder did not timely appeal said decision and is presently time barred from so doing.

5. This Court has previously ordered McGruder to undertake various obligations and efforts in regard to the Facility and that he has not been compliant therewith.

6. By Order of this Court, McGruder is to find a transferee to take over ownership and operation of the Facility. McGruder represented to this Court that he would voluntarily obligate himself to execute a deed conveying all real property upon which the Facility and all of its appurtenances are located. McGruder is also obligated to deliver to such transferee a bill of sale conveying all personal property appurtenant to the Facility including, without limitation, the lift station, all sewer lines, chlorinator unit, contact tank and pump station(s), if any, to any such transferee.

7. John Ford (hereinafter "Ford") presents himself to this Court as willing to accept ownership of and responsibility for the Facility (and real property upon which same is situated) under terms and conditions agreed to between himself and McGruder and as set forth in this Agreed Judgement. Ford acknowledges that he is aware of and is constrained by a sewer sanction currently imposed on the Facility which prohibits additional tap-ons to the sewer system until such time as the Facility is operated in compliance with all applicable statutes and regulations.

8. That McGruder's ex-wife, Marilyn Lee McGruder (hereinafter "Ms. McGruder"), voluntarily submits herself to the jurisdiction of this Court for the limited purpose of joining in execution of the deeds conveying ownership of the Facility (i.e.; Lots 27 and 13, Section 6 of the

Big Valley Mobile Home Subdivision), and in execution of this Agreed Judgment for purposes of transferring any ownership interest in the Facility, real estate upon which the Facility is situated, all appurtenances of the Facility and forever releasing all claims and interest which she may have therein.

9. This Court and the Cabinet are cognizant that it will take time for Ford to undertake all repairs required to satisfy the cabinet's Division of Water and to otherwise have the Facility operating in compliance with KRS Chapter 224 and the regulations promulgated pursuant thereto. Therefore, this Court orders that Ford undertake repairs to the Facility in accordance with the following schedule:

- a. Ford shall have electrical service established to the lift station and have the existing lift station functioning within thirty (30) days of entry of this Agreed Judgment; and
- b. Ford shall have all collection lines feeding the lift station cleaned of all debris, sewage sludge, and repaired as necessary, within ninety (90) days of entry of this Agreed Judgment; and
- c. Ford shall report any breaks, leaks and bypass in the collection lines or elsewhere in the sewer system to the Cabinet immediately upon their discovery. Ford shall repair breaks, leaks and bypasses in the sewer system within a reasonable time after discovery as agreed upon between Ford and the Cabinet's Division of Water, Louisville Regional Office.
- d. Ford shall either repair and refurbish the existing lift station or construct a new lift station, solely at Ford's discretion, within one

hundred twenty (120) days of entry of this Agreed Judgment. Ford shall during this period have the existing lift station functioning as reasonably near its design capability as possible until such time as the lift station is repaired and refurbished or a new lift station constructed as provided in this subparagraph; and

e. Ford shall take any and all other measures necessary to place the Facility in compliance with all applicable statutory and regulatory requirements by not later than two hundred ten (210) days of entry of this Agreed Judgment. Also within this specified period, Ford shall install and have operating a continuously recording flow measuring device; and

f. This Court finds that McGruder's most recent KPDES permit expired on January 31, 1994 and that he has not remitted said KPDES application renewal fee to the Cabinet as previously ordered by this Court; consequently, this Court orders the Court Clerk to remit one thousand three hundred and sixty dollars (\$1,360) to the Cabinet's Division of Water, Permits Branch, 14 Reilly Road, Frankfort, Kentucky 40601. This amount shall be applied to the Kentucky Pollution Discharge Elimination Permit (KPDES) application fee for the Facility. The Court Clerk shall remit to the County Clerk, Bullitt County, P.O. Box 6, Shepherdsville, Kentucky 40165 the amount of four hundred forty-one dollars and eighty-nine cents (\$441.89) for all currently

outstanding back taxes on Lot 13, Section 6 of the Big Valley Mobile Home Subdivision. It is the understanding of the parties hereto that there are no outstanding back taxes owed on Lot 27, Section 6 Big Valley Mobile Home Subdivision. The Court Clerk shall then remit the principal amount of the bond less the aforesaid amounts for taxes and permit application fee to the assignee thereon; and

- g.** Ford may submit plans for modifications to the Facility with the Cabinet's Division of Water, Facilities Construction Branch. Plans for modifications shall be reviewed in the normal course of business by the Cabinet and approved or disapproved in accordance with statutory and regulatory criteria. Any modifications proposed to the Facility requiring Cabinet approval must be timely submitted by Ford to allow for Ford to meet all deadlines contained herein; however, Ford shall not be responsible for delays occasioned solely by the Cabinet. Ford shall consider specific design and operational changes to address the general state of disrepair of the chlorination system and lagoon plus the lack of aeration in the lagoon; and
- h.** Ford may move this Court, with timely notice to the Cabinet, for extensions of the aforementioned deadlines if Ford can document that he has proceeded in good faith to comply with the terms herewith but in no event shall Ford receive more than three hundred sixty-five (365) days to place the Facility into compliance with all

applicable statutory and regulatory requirements; and

- i. Once the Facility is operating in compliance with applicable statutory and regulatory provisions, Ford will request lifting of the sewer sanction. The Cabinet will review said request and will lift said sewer sanction provided the Facility is in compliance with all applicable statutes and regulations; and
- j. Nothing contained herein shall be interpreted as preventing Ford from taking such lawful action he deems appropriate regarding any sewer system user that has improperly or illegally tapped onto the sewer system.

11. Concurrently with entry of this Agreed Judgment, McGruder and Ms. McGruder shall transfer to Ford, by quit claim deed, all their right, title and interest in and to Lots 13 and 27, Section 6 of the Big Valley Mobile Home Subdivision, the Facility and all appurtenances appertaining thereunto as heretofore described. McGruder shall have ninety (90) days from entry of this Agreed Judgment into the record within which to remove the mobile home from Lot 13, Section 6. Upon the expiration of said ninety day period, Ford may remove, sell, scrap or otherwise dispose of said mobile home as he wishes without liability or obligation to McGruder or Ms. McGruder. McGruder's and Ms. McGruder's agreement hereto shall operate to transfer not only their individual interests in and to said Lots 27 and 13, Section 6, the Facility and all appurtenances thereunto belonging but also shall operate to transfer any ownership held in corporate form, if any, in which McGruder and Ms. McGruder are officers, directors or shareholders.

12. Concurrently with entry of this Agreed Judgment, McGruder shall also transfer all

his interest, if any, in the KPDES permit for the Facility to Ford and shall immediately execute a document(s) required by the Cabinet to effectuate such transfer. McGruder acknowledges that he has no claims to said permit and that the permit shall be issued by the Cabinet to Ford as permittee thereon.

13. Concurrently with entry of this Agreed Judgment, McGruder shall provide to Ford all information, maps, Facility plans, Facility blueprints, locations of sewage collection lines, locations of manholes, parts, spare parts, land surveys, files, customer records, maintenance records of any type and description that relate to the Facility and its appurtenances, to the extent he has any in his possession. The Cabinet agrees to provide Ford with copies of all information in its possession relating to the Facility as requested by Ford.

14. This Agreed Judgment shall apply only to the Facility and sewage collection systems as described hereinabove, and no other, and shall not be deemed to be a transfer of any other property interest unless so modified by this Court. In the event additional property interests of McGruder's, other than those described above, are necessary to the operation to the Facility, Ford shall have leave to move this Court for modification of the Agreed Judgment seeking an Order requiring conveyance of such other property that can be shown to be necessary to the operation and maintenance of the Facility as it now exists or as may be expanded to serve additional residents of Big Valley Mobile Home Subdivision and other users.

15. Nothing in the Agreed Judgment shall be deemed to supersede the authority of the Cabinet to enforce any and all environmental laws under its jurisdiction, any zoning laws of Bullitt County, any statutes, regulations of the PSC and Bullitt County's Board of Health.

16. The Cabinet hereby releases its judgment lien(s) against McGruder and Ms. McGruder on that portion of real property owned thereby and upon which the Facility and all its

appurtenances are located; specifically including but not necessarily limited to the real property being conveyed concurrently herewith to Ford (i.e.; Lots 27 and 13, Section 6 of the Big Valley Mobile Home Subdivision). The Cabinet shall file a release of its judgment lien on Lots 27 and 13, Section 6 of the Big Valley Mobile Home Subdivision subsequent to entry of this Agreed Judgement.

17. Ford acknowledges that it is his responsibility to file documentation evidencing the transfer of ownership of the Facility and a copy of his professional resume to the PSC and that PSC's approval of the transfer is necessary. The Cabinet agrees to join in any request made by Ford to the PSC for transfer of ownership. The Cabinet represents, but does not warrant, that to the best of its knowledge the PSC will approve Facility ownership transfer.

AGREED TO BY:

 Wendell H. Overcash, Attorney
 Office of Legal Services
 Natural Resources and
 Environmental Protection Cabinet

 Date

 Jim Grawe, Assistant Attorney General
 Commonwealth of Kentucky

 Date

 Eugene McGruder

 Date

 Marilyn Lee McGruder

 Date

 John Ford

 Date

SO ORDERED, this _____ day of _____, 1997.

JUDGE, FRANKLIN CIRCUIT COURT

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing **AGREED JUDGMENT** was mailed, postage pre-paid to the following this ____ day of _____, 1997.

Hon. Wendell H. Overcash
Natural Resources and
Environmental Protection Cabinet
Office of Legal Services
Fifth Floor, Capital Plaza Tower
Frankfort, Kentucky 40026

Hon. Jim Grawe
Office of Attorney General
Capitol Building
Frankfort, Kentucky 40601

Mr. Eugene McGruder
284 Melwood Drive
Shepherdsville, Kentucky 40165

Hon. E. H. Tingle
310 West Liberty Street
Louisville, Kentucky 40202

Mr. John Ford
303 Overdale Drive
Louisville, Kentucky 40229

CLERK, FRANKLIN CIRCUIT COURT

who 8/97 ajgruder.pl5

SCHEDULE A - U.S. GOVERNMENT AND MARKETABLE SECURITIES

No. of Shares or Face Value (Bonds)	Description	In Name Of	Market Value

SCHEDULE B - NON-MARKETABLE SECURITIES

Description of Securities	No. of Shares Owned	Dated:	Book Value Per Financial Statement	No. of Shares Outstanding	Total Value
Woodland Acres Sanitation	100%	5/96			60,000

SCHEDULE C - PARTIAL INTERESTS IN REAL ESTATE EQUITIES

Location of Property	% of Ownership	Type	Yr. of Purch.	Cost (C) or Market (m)	Mortgage	Value of Equity

SCHEDULE D - REAL ESTATE OWNED

Description of Property and Improvements	Date Acquired	Title in Name of	Cost	Market Value	Mortgage	
					Amount	Maturity
Residence 303 Overdale Dr	1973	John L & Wanda Ford	15,000	95,000	none	

SCHEDULE E - LIFE INSURANCE CARRIED, INCL. N.S.L.I. AND GROUP INSURANCE

Face Amount	Name of Company	Beneficiary	Cash Surrender Value	Loans
125,000	American United Life	Wanda Ford	2,193	-0-
5,000	Lincoln Income Life	Wanda Ford	575	-0-

SCHEDULE F - NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED

Name	Date	High Credit	Owe Currenty	Secured or Unsecured
Bullitt County Bank, Shepherdsville	(no loans outstanding)			
PNC Bank			3,700.00	Secured

THE UNDERSIGNED CERTIFIES THAT BOTH SIDES HEREOF AND THE INFORMATION INSERTED THEREIN HAS BEEN CAREFULLY READ AND IS TRUE, CORRECT AND COMPLETE.

SIGNATURE John J Ford
 SIGNATURE Wanda Ford

7/26 1999

(USE ADDITIONAL SCHEDULES WHEN NECESSARY)



Bullitt County Bank

Shepherdsville, Kentucky

July 20, 1999

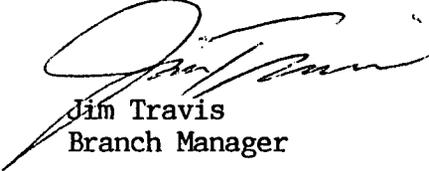
John L Ford
Wanda Ford
303 Overdale Drive
Hillview, KY 40229

Dear Mr. & Mrs. Ford:

Your \$10,000.00 equity line of credit application has been approved, subject to bank policies as explained to you.

If you have any questions, please give me a call.

Sincerely,



Jim Travis
Branch Manager

Bullitt County Health Department

P.O. Box 278

181 Lees Valley Road

Shepherdsville, Kentucky 40165

Ned Fitzgibbons
Public Health Director

(502) 955-7837

FAX 543-2998

October 2, 1998

To Whom It May Concern:

This letter is written regard in regards to the repairs needed on the lagoon type sewage treatment plant at the Big Valley subdivision in Bullitt County Kentucky.

The following entities have agreed to contribute the stated amounts to assist in repair and renovation:

Peoples Bank of Bullitt County	-	\$10,000.00
First Federal Savings Bank	-	6,000.00
Bullitt County Board of Health	-	10,000.00
Total		\$26,000.00

The Bullitt County Board of Health is not requiring a performance or surety bond from John Ford (as owner-operator) as the Board understands that the Public Service Commission will require a bond or some form of guarantee of repair completion and operational continuance from Mr. Ford.

Sincerely,



Ned Fitzgibbons
Director
Bullitt County Health Dept.

BIG VALLEY SANITATION, INC.
P O BOX 29739
LOUISVILLE, KY 40229

PROJECTED REVENUES AND COSTS OF OPERATIONS
FOR 12 MONTH PERIOD

REVENUES 108 CUSTOMERS AT MONTHLY FEE OF \$42.73
PER CUSTOMER \$ 55,380

OPERATING COSTS:

PLANT OPERATIONS

MANAGEMENT SALARIES	\$ 7,800
SERVICE CONTRACT	7,320
SLUDGE HAULING	1,040
UTILITY SERVICE - WATER	240
FUEL AND POWER	4,800
CHEMICALS	1,500
WATER ANALYSIS	2,280
PAYROLL TAXES	700

TOTAL PLANT COSTS 25,680

PLANT RENOVATION 31,910
LESS FUNDS PROVIDED (26,000)

5,910

MAINTAINENCE EXPENSES 7,040

CUSTOMER ACCOUNT EXPENSES 3,200

ADMINISTRATIVE EXPENSES

OFFICE SUPPLIES	600
BOOKKEEPING SERVICES	2,400
RENT	1,500
TELEPHONE	1,200
INSURANCE	1,600
TRANSPORTATION	3,250
LEGAL EXPENSE	1,200
ACCOUNTING EXPENSE	1,800

TOTAL ADMINISTRATIVE 13,550

TOTAL OPERATING COSTS 55,380 55,380

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SURPLUS \$.00

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